

Budget Brief – University of Utah

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SUMMARY

The University of Utah (U of U) is the State's flagship university. It is a major urban teaching and research university that provides educational programs in 15 colleges and professional schools, including law and medicine. The FY 2006 enrollment at the University was 26,846 full-time equivalent (FTE) students.

ISSUES AND RECOMMENDATIONS

Base Budget: The total FY 2007 appropriated budget for the University of Utah was \$362,635,000, with \$27,355,900 from the General Fund and \$205,920,100 from the Education Fund (offset by a one-time Education Fund reduction of \$665,300). Using the FY 2007 ongoing appropriation as the beginning point for the FY 2008 base budget, with changes in the level of dedicated credits for unallocated 1st tier tuition and 2nd tier tuition collected in the amount of \$5,648,300, the total adjusted amount (FY 2008 Base Budget) becomes \$368,948,600.

Higher Education Transfers: Included in the FY 2007 appropriation to the State Board of Regents, to be distributed to the institutions, was \$500,000 in ongoing funding and \$700,000 in one-time funding, for the Engineering Initiative. For the University of Utah, the ongoing funding transfer from the State Board of Regents' line item is \$250,000 and the one-time funding is \$350,000 for the Engineering Initiative. The Analyst recommends the transfer of the \$250,000 ongoing appropriation to the University of Utah for FY 2008. The Analyst also recommends transferring \$85,300 within line items at the University of Utah.

Operation and Maintenance of New Facilities: The University of Utah has three new non-state funded facilities that will come on line during FY 2008 that will need O & M funding. These include the Social Work Building, the Humanities Building, and the Moran Eye Center II. The sum of the O & M recommended for these three building is \$276,700. During the 2006 General Session, the Legislature funded approximately half of the recommended FY 2007 O & M. The total FY 2007 amount recommended was \$2,276,800, but only \$1,305,700 was approved. This reduction left a shortfall in O & M funding in the amount of \$971,100. The Analyst recommends the approval of the O & M funding for the three new buildings and the FY 07 shortfall in the amount of \$1,247,800. The Analyst also recommends a one-time reduction for previously-approved O & M in the amount of \$480,000.

Figure 1: University of Utah - Budget History

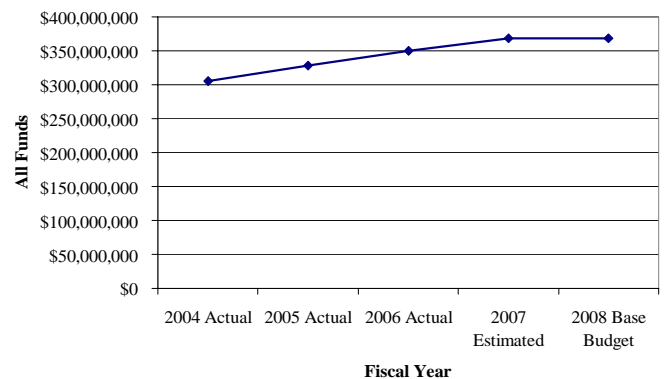


Figure 2: University of Utah - FTE History

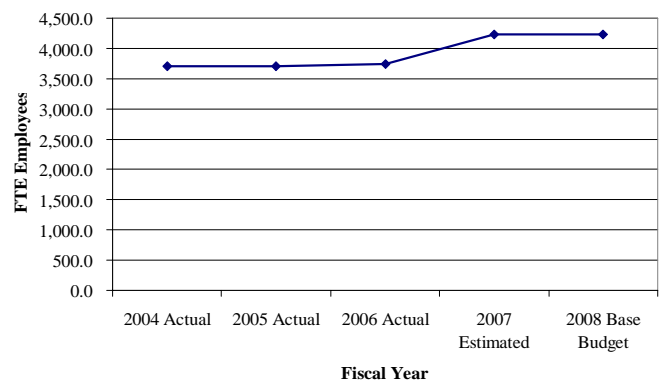
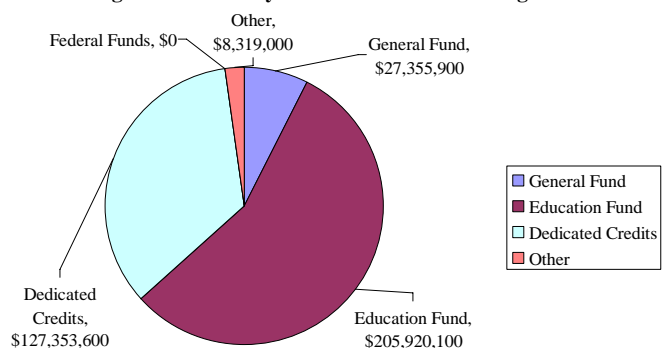


Figure 3: University of Utah - FY 2008 Funding Mix



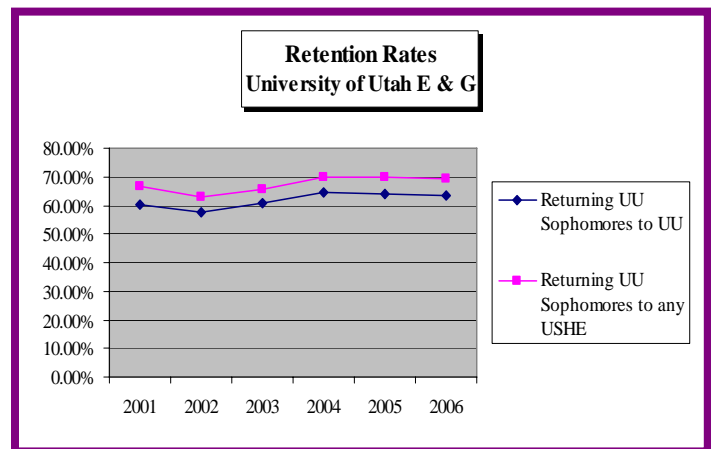
Utility Rate Increases: The University of Utah has experienced increasing costs associated with electricity and natural gas on the campus during the past year. The Analyst recommends funding to cover the FY 2008 increased costs of the utilities in the amount of \$3,452,900, together with a FY 2007 supplemental increase of \$229,200.

Nursing Initiative: The Analyst recommends \$500,000 in ongoing funding for the Nursing Initiative for FY 2008. This would make the FY 2007 one-time appropriation as ongoing funding for the Nursing Initiative. The portion recommended for the University of Utah is \$89,800.

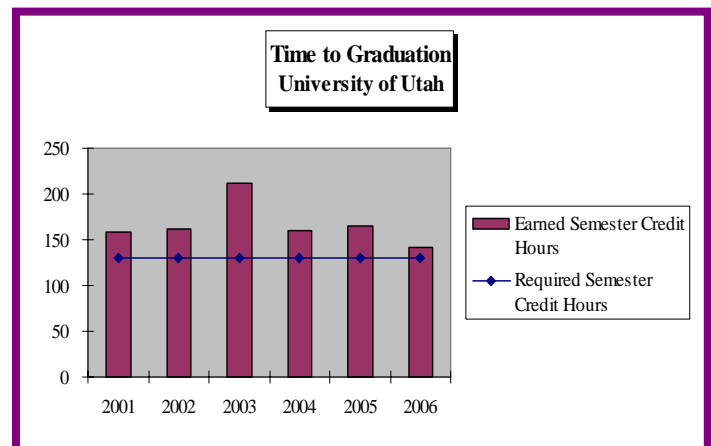
ACCOUNTABILITY DETAIL

The University of Utah's performance indicators include the retention rate of students, the average time it takes for a student to graduate, and the number and amount of research grants.

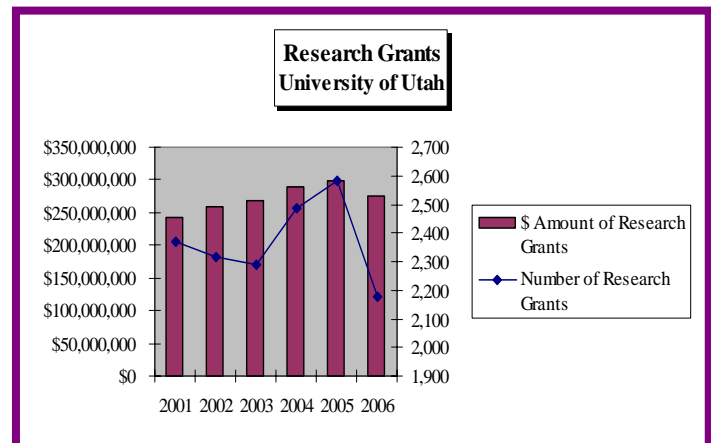
The Retention Rate figure shows the percentage of freshmen students returning to continue their education. This figure is impacted by the high number of young people who leave school for service or military reasons.



The average number of earned semester hours for graduates at the University of Utah is 141. The minimum required number of hours is 130.



The University of Utah is one of the two research institutions in the State. The number of grants dropped in 2006 to 2,175; the amount of research grants was over \$275 million.



BUDGET DETAIL

Base Budget: The Legislative Fiscal Analyst recommends approval of the University of Utah's FY 2008 adjusted base budget in the amount of \$368,948,600, with \$27,355,900 from the General Fund, \$205,920,100 from the Education Fund, \$126,395,700 from Dedicated Credits, \$957,900 from Land Grant Management Funds, \$4,284,500 from the Cigarette Tax Restricted Account, \$4,000,000 from the Tobacco Settlement Restricted Account, and \$34,500 from Transfers from the Commission on Criminal and Juvenile Justice.

Intent Language: In the past, there have been several items of legislative intent language included in the various appropriations acts regarding higher education issues. During the 2005 General Session, there was an effort to reduce the amount of intent language, especially those items that were repeated year after year. As a result, there was no intent language that affected the University of Utah included in the appropriations acts for FY 2007.

LEGISLATIVE ACTION

The Analyst recommends that the Subcommittee adopt a base budget for the University of Utah in the amount of \$368,948,600. The allocation approved by the Executive Appropriations Committee is \$27,355,900 (General Fund) and \$206,170,100 (Education Fund).

The Analyst recommends that the Subcommittee develop a prioritization list of items for additional funding for FY 2008 and FY 2007 (Supplemental).

BUDGET DETAIL TABLE

University of Utah						
Sources of Finance	FY 2006 Actual	FY 2007 Appropriated	Changes	FY 2007 Revised	Changes	FY 2008* Base Budget
General Fund	49,208,800	27,355,900	0	27,355,900	0	27,355,900
Education Fund	173,536,600	205,920,100	0	205,920,100	0	205,920,100
Education Fund, One-time	1,941,800	(665,300)	0	(665,300)	665,300	0
Dedicated Credits Revenue	120,388,710	120,747,400	5,648,300	126,395,700	0	126,395,700
Dedicated Credits - Land Grant	1,130,100	957,900	0	957,900	0	957,900
GFR - Cigarette Tax Rest	4,284,500	4,284,500	0	4,284,500	0	4,284,500
GFR - Tobacco Settlement	4,000,000	4,000,000	0	4,000,000	0	4,000,000
Transfers	4,039,069	0	0	0	0	0
Transfers - Commission on Criminal and Juvenile J	34,500	34,500	0	34,500	0	34,500
Beginning Nonlapsing	19,329,683	0	0	0	0	0
Closing Nonlapsing	(28,136,638)	0	0	0	0	0
Total	\$349,757,124	\$362,635,000	\$5,648,300	\$368,283,300	\$665,300	\$368,948,600
Line Items						
Education and General	307,234,892	317,446,600	5,513,700	322,960,300	695,300	323,655,600
Educationally Disadvantaged	765,396	771,900	0	771,900	0	771,900
School of Medicine	30,576,921	32,490,400	121,700	32,612,100	0	32,612,100
University Hospital	4,998,339	5,200,100	0	5,200,100	0	5,200,100
Regional Dental Education Program	885,963	725,800	12,900	738,700	0	738,700
Public Service	1,421,448	1,487,400	0	1,487,400	(30,000)	1,457,400
Statewide TV Administration	2,008,303	2,550,400	0	2,550,400	0	2,550,400
Poison Control Center	1,865,862	1,462,400	0	1,462,400	0	1,462,400
Utah Tele-Health Network	0	500,000	0	500,000	0	500,000
Total	\$349,757,124	\$362,635,000	\$5,648,300	\$368,283,300	\$665,300	\$368,948,600
Categories of Expenditure						
Personal Services	277,771,969	308,061,300	9,107,300	317,168,600	0	317,168,600
In-State Travel	2,340,527	1,984,200	243,600	2,227,800	0	2,227,800
Current Expense	59,019,211	41,294,000	(3,238,900)	38,055,100	665,300	38,720,400
Capital Outlay	1,838,817	2,511,000	36,300	2,547,300	0	2,547,300
Other Charges/Pass Thru	8,786,600	8,784,500	(500,000)	8,284,500	0	8,284,500
Total	\$349,757,124	\$362,635,000	\$5,648,300	\$368,283,300	\$665,300	\$368,948,600
Other Data						
Budgeted FTE	3,744.8	4,206.0	26.7	4,232.7	0.0	4,232.7
Vehicles	467	458	9	467	0	467

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.